

Report on

THE PORT OF BALTIMORE SURVEY

Md. Y 3. PO 83 :2/N /950
Baltimore Association of
Commerce. Committee on Port
Report on the port of
Baltimore survey

Prepared by

BALTIMORE ASSOCIATION OF COMMERCE

October, 1950



Baltimore Association of Commerce

22 LIGHT STREET * LEXINGTON 7600

Baltimore 2, Maryland

October 20, 1950

Hon. Thomas D'Alesandro, Jr.
Mayor of Baltimore
City Hall
Baltimore 2, Maryland

Dear Mayor D'Alesandro:

Last spring you requested the Association of Commerce to study and report to you on the "Report on the Port of Baltimore", prepared by the Knappen Tippetts Abbett Engineering Co.

On April 23, 1950, we appointed a special 18-man Committee, including a broad representation of Baltimore business and port interests, to study and report on the engineers' findings and recommendations.

A copy of the detailed report submitted by this Committee is attached. It was adopted by our Board of Directors today, subject to an amendment of the Committee's recommendations on page 10 dealing with eminent domain. The Board directed that this question be given further study and a supplementary report be submitted to you as soon as possible.

Appended to the report are copies of the separate reports on the Port Survey recommendations prepared by two municipal and five private agencies.

A copy of our report has been forwarded to Governor Lane.

The report will be released publicly on Sunday, October 22.

The Association greatly appreciates your cooperation, and that of the State, in this important community undertaking.

Very truly yours,

S. Page Nelson

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President

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Prepared By
THE COMMITTEE ON PORT SURVEY RECOMMENDATIONS
Baltimore Association of Commerce

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INTRODUCTION

As the City's chief commercial asset, the successful functioning of the Port of Baltimore has an important bearing on the economic progress and development of the whole community. Although Baltimore has had an excellent port record over the years, it must be prepared to meet the increasing competition of rival ports if it is to maintain its present high standing as a maritime and transportation center.

Various studies of Baltimore's postwar shipping problems which had been conducted by the Association of Commerce and other port organizations, all pointed to the need for an up-to-date analysis of the Port's physical facilities, operating conditions, and administrative practices. This conclusion was further supported by the fact that more than twenty years had elapsed since the completion of the last comprehensive survey of the Port.

It was therefore decided to recommend to the City and State that they jointly appropriate in 1949 the sum of \$50,000 for the purpose of employing a professional engineering firm to make an objective study of the Port. The necessary money was thereafter made available by the City and State with the request that the Association of Commerce appoint a committee to determine the scope of the survey and to choose an engineering firm to perform the work.

On March 1, 1949 this special Committee on Port Survey, composed of representatives of the City, the State, the railroads, the motor-trucking industry, the steamship trade, and the public at large, was appointed. After discussions with all parties at interest, the Committee drew up a list of 22 essential points to be covered by the survey, and recommended the employment of the Knappen Tippetts Abbett Engineering Co., of New York City, a firm that has had broad experience in making port investigations.

The necessary contractual arrangements were completed in time for the survey to begin on June 1, 1949. The Committee met frequently with the engineering staff, and scheduled a series of technical meetings with different port groups. The printed Survey Report, comprising two volumes, was presented to the Committee on March 9, 1950, and was publicly released three days later.

On April 23, 1950, the Association announced the appointment of a special 18-man Committee on Port Survey Recommendations, to study and report on the recommendations submitted by the Knappen Tippetts Abbett Engineering Co. The membership of this Committee included a broad representation of Baltimore business and port interests.

The Mayor of Baltimore requested individual reports on the Port Survey from the Harbor Advisory Board, the Harbor and Aviation Committee of the Baltimore City Council, and the Association of Commerce. Meanwhile, a number of local trade organizations also initiated studies of the Survey Report. These include the Baltimore Customhouse Brokers and Forwarders Association, the Baltimore Port Railroads, the Maryland Motor Truck Association, the Steamship Trade Association of Baltimore, and the Industrial Traffic Managers Association of Baltimore. The reports prepared by the two municipal and the five private agencies mentioned are reproduced in Appendix II.

A total of nineteen separate recommendations are proposed by the Survey Engineers. These are listed on pages 50-52 of Volume I. As the suggestions can be conveniently divided into three major groups, the Committee's discussion of the individual recommendations are arranged under the following headings:

1. Recommendations covering port administration and promotion. (Nos. 1 and 19)
2. Recommendations dealing with improvements in port facilities and services. (Nos. 2-10 and 17-18)

3. Recommendations on port charges and operating practices.
(Nos. 11-16)

In reviewing the Survey Report, the Committee was impressed with the following conclusions of the Engineers:

1. The total volume of waterborne commerce in the Port of Baltimore compares favorably with that of other United States ports.
2. Its continued growth is assured if port facilities and services are maintained at a level equal to or better than that of competing ports.
3. Nothing should be included in future plans for port development which will discourage the efforts being made by the railroads on behalf of the Port of Baltimore.

These basic considerations were borne in mind by the Committee in developing its own conclusions and recommendations.

The Committee wishes to acknowledge the cooperation of Messrs. G. H. Poudier, G. Stewart Henderson, Joseph L. Stanton, and W. S. Hamill, of the Association staff, for their assistance throughout the course of its investigation. Mr. Hamill served as executive secretary of the Committee.

RECOMMENDATIONS COVERING PORT ADMINISTRATION AND PROMOTION

The Port of Baltimore Survey, in many respects, revolves around the question of a change in the nature of the present system of port administration. Most of the Engineers' recommendations, including the question of new and improved facilities, are influenced or controlled by the proposed new plan of port organization.

The Survey Report endeavors to strike a balance between public control and private enterprise, in a form which would preserve the interest and support of business in port development and operation. The whole spirit of the Report is that private investments and initiative have been largely responsible for bringing the Port to its present excellent position, and that this should be preserved and encouraged as our most unique and valuable asset. Public ownership and operation of port facilities, it is contended, should take form only if private business is unwilling or unable to carry out the recommended long-range development plans.

A full analysis of the present administration and operation of the Port of Baltimore is found in Volume I, pp. 35-37; the recommendations for a central port organization for Baltimore are in Volume I, pp. 38-43; and the suggestions for financing the development of the Port are contained in Volume I, pp. 43-46.

Recommendation 19, relating to the subject of port administration, is as follows:

"A central port agency, designated as the Baltimore Port District Commission, should be created and authorized to assume responsibility for port development and improvement, construction and operation of authorized facilities, and the protection and development of commerce."

In the "Conclusions and Recommendations" section of Volume I are found the following comments on the general question of Baltimore's port administration and development:

"The existing administrative functions of the Port of Baltimore are performed by several governmental units, private operators and special commissions which act more or less independently and therefore in overall operations with less than maximum efficiency. Experience at other ports of the United States and around the world, shows that a central port agency is essential for the effective planning of port development, the construction and operation of authorized facilities and the protection and development of port commerce.

"While the Port Development Commission has aided materially in expanding and improving the Port, the existing restrictions as to rate and terms of amortization of their loans, and the limited and indefinite provisions covering renewal of leases have discouraged the use of their funds by private interests.

"The Port promotion program of the Baltimore Association of Commerce is an effective, practical one and should be continued and expanded. The branch offices of the Association are a valuable part of this program, which is essential to maintain and increase the volume of waterborne commerce at Baltimore."

In brief, the Report's recommendations provide for a central port administrative agency to be known as the "Port District Commission", with powers embracing a Port area to include Baltimore City and all or part of eight nearby counties - Baltimore, Anne Arundel, Carroll, Cecil, Harford, Howard, Kent and Queen Annes. The Commission would have new and broad powers, would absorb into its operations the municipal agencies whose work involves the Port, and would have an operating budget of about \$700,000 per annum. Its membership of seven would be appointed jointly and unanimously by the Governor of Maryland, the Mayor of Baltimore, and the President of the Baltimore Association of Commerce, with members serving overlapping terms of four years. Its departments would include: Operations, Finance, Planning and Port Development, Engineering and Maintenance, Security and Administration.

Port promotion would continue to be carried on by the Association of Commerce.

The matter of how best to modify our present port administrative policy, to place Baltimore in better position to meet competition and capitalize on its advantages, became the central issue confronting the Committee.

After preliminary study, certain policies on port administration were generally agreed upon by the Committee. A Subcommittee on this subject developed the policies in concrete form for discussion by the full Committee. Its report, with modifications, comprises the basis of the Committee's present statement on the most vital aspect of the Port Survey.

MAJOR ISSUES

The Port District Commission, as recommended by the Survey Engineers, is merely another name for a Port Authority. While various local organizations and committees differ somewhat in their views on the question of the desirability of such an instrumentality, and there is sentiment for more centralized control of port activities here, fairly general agreement exists on the principle that private enterprise should be allowed full opportunity to continue to meet the needs of the Port.

The major issues appear to be:

1. Shall the present Port Development Act, passed in 1920 and later amended, be retained in modified form, or shall it be repealed and new legislation creating a type of Port Authority be proposed?
2. In either event, what should be provided in respect to (a) character and method of appointment of the membership of the Commission or Authority, (b) centralizing the duties and responsibilities of the Port body, (c) liberalizing the financing powers of the Port body?

CONCLUSIONS ON PORT ADMINISTRATION

Our Committee, during its consideration of the question of Baltimore's port administration, has had the benefit of separate reports prepared by the Baltimore railroads, the Maryland Motor Truck Association, the Industrial Traffic Managers Association of Baltimore, the Baltimore Customhouse Brokers and Forwarders Association, the Steamship Trade Association of Baltimore, the Harbor Advisory Board, and the Harbor and Aviation Committee of the Baltimore City Council. It also had available a recent study by the Association of Commerce staff on port administrative systems in effect at other leading ports, including the enabling legislation and financial aspects involved. An overall national study of this matter is now being undertaken by Tulane University for the American Association of Port Authorities.

The requirements of the Port of Baltimore, in our opinion, can be met by a modification of the present Port Development Act, either by amendment of that Act or by the passage of new legislation if required for legal or financial reasons. This is a reasonable first step towards carrying out the provisions of the Report which may later be found to be practicable, and correcting the deficiencies and limitations in the present Port Development Act which have been brought to light during the 30 years of its existence.

The present Port Development Enabling Act (Chapter 560 of the Laws of Maryland, 1920, as amended) was passed in the period of port development enthusiasm after World War I. Unlike many other similar moves by cities at that time, our Act protected the taxpayer through requiring that no public funds be made available for port facilities unless full interest and amortization were guaranteed and the property involved remained in public ownership in perpetuity. These conditions, while commendable, placed restrictions on the Port Development Commission's new undertakings and resulted

in only three projects over a period of thirty years. The Act also did not provide specifically for a Commission membership properly representative of local port interests. In fairness, however, it has served as somewhat of a model act, and its general structure has been followed, usually with more liberal financing provisions, by other ports. It has been a constructive factor, within limitations, in our port development, but in no sense does it represent a "Port Authority" type of administrative control.

We recommend that changes in Baltimore's port administrative structure be accomplished through modification of the existing Port Development Enabling Act, by amendment or new legislation, with the understanding that this Act shall apply only to the corporate limits of the City of Baltimore. Here it should be noted that the jurisdiction of the City Government, through its Bureau of Harbors, has been extended by statute to include the navigation area of the Patapsco River and tributaries. This navigation area does not include Back and Middle Rivers, two of the most important potential areas for port development.

How can the present Port Development Enabling Act be modified, to make it more workable and effective, and still preserve the basic principle of private enterprise development and operation on which the Committee is agreed?

We feel that the following specific suggestions would retain Baltimore's desirable status as practically the only major port operated and promoted by private initiative, and at the same time preserve an alert and cooperative interest in the Port by the City and State Governments.

NAME OF COMMISSION

The name of the Port Development Commission should be changed to "Port of Baltimore Commission".

JURISDICTION

The jurisdiction of the Port of Baltimore Commission should be confined to the corporate limits of Baltimore City.

MEMBERSHIP

The Commission should be appointed by the Mayor of Baltimore. It should consist of seven members with overlapping four-year terms. One member should be designated by the Governor of Maryland. Two members should be designated by the Mayor of Baltimore. Four members should be appointed from a group of nominations to be submitted by the Baltimore Association of Commerce, after that organization has secured recommendations from appropriate business groups.

Three of the four commercial appointments should provide representation for railroad, motor truck, and steamship interests. Twelve names should be submitted by the Association at the time of the first commercial appointments, and three names for each vacancy which may occur thereafter.

SCOPE

The Port of Baltimore Commission should not at this time take over the functions of the City departments, bureaus and boards, which now carry on Port duties, except those exercised by the Port Development Commission. This desirable move in the interest of centralization should be deferred until the newly constituted Commission has had opportunity to determine when it would be wise and feasible.

We visualize a simplified Port Commission picture at the outset, with major administrative changes, which might be influenced by war emergency, to be postponed until the Commission itself is prepared to make recommendations.

DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Commission should be confined primarily to the physical aspects of the Port of Baltimore, and embrace

the planning and financing of port improvements and general coordination of port activities.

The commercial promotion and rate protective work of the Port should continue to be carried out through the Baltimore Association of Commerce.

Although the present Port Development Commission is authorized to initiate condemnation proceedings in order to carry out the purposes for which it was created, it is felt that the power of the new Commission to exercise the right of eminent domain, at least, for the present, should be restricted to those instances in which it may be specifically authorized to exercise such powers by City ordinance.

The Commission should have at the beginning only a minimum paid staff, with appropriate working relationships with related City departments and local port and business groups.

FINANCIAL POWERS

To make public funds more available and attractive to transportation, commerce and industry in the development of the Port, some modification is required in the present requirements for 100 per cent amortization of loans for constructing or improving port facilities, with ownership of the land and property permanently vested in the City.

We offer the following proposals for further study as to their legal and financial propriety:

- a. Reduction of the present 100 per cent amortization requirement, and a more direct financial participation by the City.
 - . This might be in the form of a 70, 60 or even a 50 per cent amortization by the lessee.
- b. Specific provisions covering renewal and extension of leases.
- c. A plan under which private interests could acquire possession of the property after full amortization.

- d. A plan under which port improvements could be made with public funds on privately owned properties, when such improvements were demonstrated to be in the public interest, without permanent transfer of ownership of the land and improvements to the City. This proposal might result in a solution of the controversial question of improving port facilities to meet the needs of freight moved by motor truck. Such facilities, in our view, should be established in conjunction with railroad marine terminals, as a separate terminal for the handling of freight moved by motor truck is not economically justified.
- e. Provision for the protection of the interests of the City as well as for the fair and equitable treatment of lessees under agreements already made with the Port Development Commission.

While nearly all of the foregoing suggestions represent departures from Baltimore's current practices in financing port improvements, they appear to be in harmony with recent policies adopted by the City for encouraging private interests to undertake the redevelopment of slum and blighted areas and to provide off-street parking facilities.

The Baltimore Redevelopment Commission, for example, is empowered to purchase tracts of slum land at market prices for lease or sale to builders and investors at prices related to the cost of vacant suburban land. The absorption by the City of any difference between the acquisition and the disposal value of the land rests partly on the theory that the potential tax revenues resulting from the contemplated improvements will equal or exceed any losses which might be sustained in assembling and preparing the site.

An even more striking illustration of public financial cooperation is found in the case of the Off-Street Parking Commission. This agency

is authorized to commingle its funds with those of private interests in financing privately owned parking projects without taking possession or otherwise controlling the operation of such facilities. The City retains title to the land and buildings during the life of any loan extended for this purpose. After the loan is paid in full, title to the land and improvements reverts to the company or individual with whom the loan contract was made.

A review of the legislative history of the Port Development Commission, the Redevelopment Commission, and the Off-Street Parking Commission, discloses that the original laws creating these agencies, largely because of their restrictive character, failed to produce the anticipated results. In regard to the Redevelopment and Off-Street Parking Commissions, however, the earlier laws were amended in order to overcome the major factors which were obstructing progress in these fields. The Port Development Commission, on the other hand, is still operating under many of the handicaps that prevailed when it was first established in 1920.

PORT DISPATCH COMMITTEE

The Port Dispatch Committee of the Association of Commerce is a direct outgrowth of the Port Survey. During the survey, as a result of an understanding between railroad, motor trucking and steamship interests to attempt to reconcile their differences in the general Port interest, the Committee was formed. It has become a useful agency for arbitrating port disputes, and as a clearing house through which railroad, steamship, trucking and industrial interests can reach understandings.

The Port Dispatch Committee should serve as a technical advisory board to the Port of Baltimore Commission, and should direct to and receive from that Commission recommendations on cooperative port action. A member of the Port of Baltimore Commission should be included in the membership of

the Port Dispatch Committee.

SUMMARY STATEMENT

In Appendix I there is presented a summary statement for quick comparison of the recommendations of the Knappen Tippetts Abbott Engineering Company's Survey Report and those of this Committee, on the question of port administration at Baltimore.

RECOMMENDATIONS DEALING WITH IMPROVEMENTS
IN PORT FACILITIES AND SERVICES

The proposals submitted by the Survey Engineers for improving the facilities and services of the Port are embodied in eleven separate recommendations. These relate to the desirability of increasing the number of direct steamship sailings from the Port, the improvement of navigation conditions both in Baltimore Harbor and in the Chesapeake and Delaware Canal, the repair of the icebreaker "Annapolis" and the early acquisition of a new one, the making of certain improvements at the Port's four railroad marine terminals and the reconstruction of the municipal piers along Pratt Street, the consideration of the need for a small boat harbor, the provision of better highway access to the different waterfront areas, and the deferring of action on the development of a Foreign-Trade Zone and the establishment of an International House or Trade Mart.

A few of the recommendations on port facilities and services more or less represent an endorsement by the Engineers of activities or studies which are already under way. The suggestions for improving and expanding the general cargo piers not only would necessitate a large financial outlay by private owners but would also involve many complex technical and practical considerations. It is likely that the inauguration of a large-scale program of pier improvements will depend, at least in part, upon the type of port administration that is finally adopted as well as upon the making of important changes in the present municipal policy of encouraging private interests to sponsor new pier projects. In connection with the recommendation for the construction of a consolidated ore terminal, the local ore-import situation has changed so rapidly since the Engineer's report was published, including the construction and planning of new ore-handling facilities by individual railroads of the Port, that there appears to be little likelihood that such a central facility

will be built in the foreseeable future.

Separate discussions of the individual recommendations on port facilities and services are presented below. The numerical designations correspond to those used in the Survey Report.

RECOMMENDATION 2

"Continued effort should be made to increase the number of direct steamship sailings between Baltimore and foreign ports."

The acquisition of additional direct steamship sailings from Baltimore to various domestic and foreign ports has for many years been an important local objective. While the total number of scheduled steamship services has been considerably increased in recent years, reaching a high mark of 89 in September 1950, there is no question that more direct sailings represents one of the primary needs of the Port.

To obtain better steamship service and more business for the Port, branch offices of the Port of Baltimore are maintained by the Association of Commerce in New York, Chicago and Pittsburgh.

Although some progress has been made in obtaining direct overseas sailings from this Port, the process has been relatively slow on account of the geographical position of Baltimore, midway in a group of important maritime centers. The location of the ports of Hampton Roads and Charleston to the south, and Philadelphia, New York and Boston to the north, often necessitates the scheduling of vessels so that they must call at Baltimore either before or after visiting other Atlantic Coast ports. Despite these handicaps, four important lines have instituted direct general cargo sailings from Baltimore during the past two years. The numerous bulk carriers and chartered vessels arriving at Baltimore do not usually call at other ports on the same voyage.

In view of the importance of providing the Port of Baltimore with an adequate number of steamship sailings to principal domestic and foreign ports, effort to attract new steamship services to Baltimore should be carried forward aggressively.

RECOMMENDATION 3

"The main navigation channel in the harbor from deep water to Fort McHenry should be widened to 800 feet. The connecting channel between the Main Channel and the Inland Waterway should be widened at the present time to at least 500 feet and deepened to 35 feet. The Chesapeake and Delaware Canal should be improved immediately to provide a bottom width of at least 350 feet and a depth of 32 feet. Low level highway bridges over the canal should be eliminated or reconstructed providing horizontal clearances of 500 feet. The railroad bridge should be a vertical lift type. Sharp bends should be eliminated and additional anchorage facilities along the canal should be provided."

The improvement and protection of the navigation facilities at the Port of Baltimore have occupied a prominent place in Baltimore planning and development programs.

In conjunction with the U.S. Army Engineers, the Maryland Congressional delegation and the community's maritime interests, local projects have included the widening and deepening of the Chesapeake and Delaware Canal; the dredging of the main ship channel to a depth of 39 feet, work on which is now under way; the establishment and deepening of the Riverview Anchorage; improvements to the Curtis Bay and Middle Branch channels; and the construction of the Cut-Off channel to the upper bay, to shorten the distance between Baltimore and the Chesapeake and Delaware Canal.

The U. S. Army Engineers are now making a detailed study of the local port picture for the purpose of considering further improvements, particularly in respect to widening the main ship channel.

With regard to the Chesapeake and Delaware Canal, an extensive improvement project is now under consideration by the U. S. Engineers.

The recommendations of the Survey Engineers on navigation improvements are amply justified on the basis of the expanding needs of the Port, although detailed approval of the projects should be deferred until after the Army Engineers have submitted their findings and recommendations.

RECOMMENDATION 4

"Anchorage No. 3 should be extended and deepened to 35 feet and representations to this effect should be made to the Baltimore District Engineer."

The provision of adequate anchorage areas at the Port of Baltimore has long been an integral part of the local harbor-improvement program. The substantial expansion of vessel activity at the Port since the close of World War II, together with the anticipated movement of large quantities of foreign iron ore through Baltimore, makes it evident that further anchorage space will be needed as time goes on. During the 1947-49 period an annual average of nearly 4,200 ocean-going vessels arrived at the Port. This represented an increase of approximately 1,000 vessels over the five-year average from 1935 through 1939.

While agreeing that the recommendation pertaining to the improvement of Anchorage No. 3 be endorsed in principle, the Committee is of the opinion that specific approval should be withheld until after the completion of a current study on this subject by the U. S. Army Engineers.

RECOMMENDATION 5

"Repairs should be made to the icebreaker "Annapolis" and an additional icebreaker should be provided as soon as possible."

The occurrence of ice conditions in Baltimore harbor during severe winters makes the availability of standby icebreakers a practical necessity. The City now has the services of two vessels of this type, the "Annapolis" and the "Latrobe". They have recently been repaired and are now in good operating condition. Although both vessels have been satisfactorily main-

tained, they are approximately 70 years old and their period of usefulness is nearly at an end.

It is estimated that it might take as long as five years to secure the necessary authorization and construction of a modern icebreaker. By that time, in the opinion of the harbor engineers, both the "Annapolis" and the "Latrobe" will be ready for retirement. It is believed that one modern icebreaker of sufficient size would meet the future needs of the Port.

As vessel traffic in Baltimore Harbor would be at a standstill without the service of a suitable icebreaker during periods of heavy ice conditions, the Committee approves the recommendation that a new icebreaker be provided as soon as possible.

RECOMMENDATION 6

"The general cargo piers of the port should be improved and expanded to include:

- a. Provision of new access roads, transit sheds, and cargo handling equipment at the Lower Canton piers.
- b. Provision of better ship and truck accommodations at the Pennsylvania Railroad piers.
- c. Provision of better access road and truck accommodations at the Locust Point piers.
- d. Provision of better truck access at the McComas Street piers.
- e. Reconstruction of the Municipal Piers on Pratt Street.
- f. More extensive use throughout the Port of mechanical cargo handling equipment."

Various alterations and betterments are currently being made at some of the Port's general cargo piers, and additional improvements are contemplated as further expenditures for this purpose become economically justified. It has long been the policy of the railroad terminal operators at Baltimore to build new piers, add facilities, and purchase new handling equipment whenever such outlays are warranted by existing or potential cargo traffic.

The improvements proposed by the Survey Engineers appear to represent desirable additions to the physical structure of the Port. Inasmuch,

however, as they did not recommend any specific plan for financing the improvements, the character of any future program in this field cannot be readily determined at this time. It will doubtless depend to a considerable extent on the type of port administration that is finally adopted as well as upon the terms on which public funds will be made available for port development. It is, therefore, impossible at this time for the Committee to give an unqualified endorsement to the proposed pier-expansion program, but it is strongly recommended that this important question be studied by the newly constituted Commission.

RECOMMENDATION 7

"A new pierside storage warehouse should be provided concurrently with general cargo pier improvement and expansion at the Canton Company Retainer Pier, Pennsylvania Railroad Pier 6 and the McComas Street Terminal."

As in the case of the recommendation covering improvements at the general cargo piers, the provision of additional waterfront storage space involves many complex economic and financial problems. Under existing port conditions, the construction of new harborside storage facilities would be undertaken if and when the railroads or other private interests felt that it would represent a sound business investment.

The Committee is of the opinion that the details of determining the prospective need for new storage warehouses, including their design, location, and financing, should be left to the discretion of the operating companies and to the new Port of Baltimore Commission, the creation of which is recommended elsewhere in this report.

RECOMMENDATION 8

"A central ore terminal to be served by two or more railroads should be developed to place Baltimore in a position to capture a major share of the impending growth in foreign iron ore importation and thus also to attract additional steel manufacturing."

New developments which have occurred since the publication of the Survey Report have more or less set the pattern for the expansion of Baltimore's

ore-handling facilities. Instead of concentrating on a single project, the Baltimore and Ohio Railroad, the Western Maryland Railway and the Canton Company are building or improving individual ore terminals at a total cost of some \$7,000,000. Present indications are that Baltimore, on account of its new modern facilities and other advantages, will obtain a major share of the greatly increased tonnages of iron ore that will soon be imported into the United States.

At a meeting of the Eastern Railroads' Traffic Executives Association, held last July, representatives of the country's largest steel companies expressed a strong preference for Baltimore as an importation point for foreign ore.

RECOMMENDATION 9

"A detailed study should be made of the demand for and practicability of a small boat harbor."

A small boat harbor or yacht basin, while a desirable feature for the Port, is not among the community's more pressing maritime problems. Proposals have been made from time to time for the construction of a base for small boats, but there has been no concerted action in pointing out that this type of facility is urgently needed.

One recent suggestion favors the use of the site now occupied by the Maryland Yacht Club as a small boat harbor. On the other hand, the new improvements now under way in the vicinity of Pratt and Light Streets will provide a long bulkhead which might be suitable for tying up yachts, motor cruisers, and small sailing vessels. Some individuals feel that the City-owned piers in the Pratt Street area which are now used by small commercial boats could also be used for pleasure craft. Other persons are of the opinion, however, that there is no place in the inner harbor suitable for accommodating small boats. Although bulkhead space and sufficient water depths are available there, it is contended that large numbers of small vessels could not be

safely operated in the inner harbor because of the heavy movement of tug and steamship traffic.

The Committee believes that it would be worth while to have an adequate small boat basin located somewhere in the harbor, and that the establishment of such a facility should be given consideration by the new Port of Baltimore Commission.

RECOMMENDATION 10

"The marginal streets and highways serving the waterfront should be improved to provide better truck access to the piers."

The City's present street and highway program calls for extensive work along the Baltimore waterfront. The General Sam Smith Park project at the intersection of Pratt and Light Streets is a good example of the progress being made along this line. Further important improvements of traffic arterials serving the harbor area are contained in the master plan of the City Planning Commission and in the programs of other municipal agencies. The provision of better highway access to the piers is a factor in the Port which requires continuous and coordinated study by all interested groups, and constitutes a major civic responsibility.

RECOMMENDATION 17

"Action towards the development of a Foreign-Trade Zone should be deferred."

The question of creating a foreign-trade zone at Baltimore has for many years received considerable attention from local port interests. To date there has appeared to be no economic justification for such an area.

Recent legislation enacted by the Federal Government broadens the functions of foreign-trade zones to include manufacturing and exhibiting, two important activities which were expressly prohibited under the earlier law. As these significant changes were approved after the Survey Report had been submitted, there was no opportunity for the engineers to review the Baltimore

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situation in the light of the new legislation. The new Port of Baltimore Commission might properly consider it advisable to reexamine the practical aspects of such a project for this Port.

RECOMMENDATIONS 18

"No action should be taken at this time towards the organization of an International House or Trade Mart."

The establishment of an International House or Trade Mart for Baltimore has been frequently discussed by local civic and port interests. Consideration of this matter has been stimulated by the initiation of such a project at the Port of New Orleans, and by investigations of similar undertakings at other ports. The Committee agrees with the recommendation but feels that consideration of the subject might be later revived.

RECOMMENDATIONS ON PORT CHARGES AND OPERATING PRACTICES

The recommendations given in the Port Survey on port charges and operating practices at Baltimore are grouped under six separate headings. These include continued effort to protect the City's freight rate advantages, the extension to five days of the free time allowed for the removal of truck-borne cargoes at railroad piers, an increase to ten days of the free time allowance on cargoes brought in by rail for export, the granting of more liberal privileges in the handling of split-car-export deliveries, the establishment of more uniform charges for handling railborne cargoes at both privately owned and rail-owned piers, and the inauguration of a cooperative study as to the advisability of imposing dockage charges at railroad owned or operated piers in order to provide new revenue for financing needed pier and terminal improvements.

As the protection of Baltimore's freight rate advantages has for many years been one of the major responsibilities of the Association of Commerce, in cooperation with the railroads and other interests, the recommendation on this subject is already being taken care of satisfactorily. In regard to more liberal privileges in the handling of split-export-car deliveries and storage during transit, some changes have recently been made and other modifications in present practices are being actively considered by the railroads. The matter of establishing uniform handling charges at both privately owned and railroad piers is now the subject of litigation before the Interstate Commerce Commission.

While an increase in the free-time allowance on railborne cargoes for export would be helpful from a competitive standpoint, the present war emergency, with a shortage of freight cars and the possibility of pier and terminal congestion, makes it necessary to postpone further discussions of this issue until a later time. The Committee agrees that a cooperative

study as to the advisability of imposing dockage charges should be undertaken, and that additional free-time allowance on truckborne cargoes would be desirable.

The remainder of this section is devoted to separate treatment of the individual recommendations on port charges and operating practices. The numerical designations correspond to those given in the Survey Report.

RECOMMENDATION 11

"Continued effort must be made to protect the favorable advantages which Baltimore now enjoys in railroad freight rate differentials."

Because of its favorable geographical position in relation to the interior and the South, Baltimore has lower freight rates on port traffic moving to and from these areas than those in effect at other North Atlantic ports. The City's most notable rate advantage is familiarly referred to as the "port differential". This represents an adjustment of rates on export and import traffic to and from the territory extending roughly from Pittsburgh and the Ohio River to the Mississippi River and beyond.

While the railroads serving Baltimore have always endeavored to reflect the advantage of location in the freight rate structure applicable to the community's export and import commerce, such efforts have met with continuous attacks from neighboring competitive ports. In the early days of railroad operation it gave rise to so much controversy that in 1905 the Interstate Commerce Commission prescribed the so-called "Atlantic Port Differential Relationship", under which Baltimore was accorded so-called "differentials" on foreign traffic below the rates obtaining through Philadelphia, New York and Boston. This action has been opposed by various Northern ports in almost constant litigation before the Interstate Commerce Commission. The defense of Baltimore's rate structure has been a primary responsibility of the City's port and business interests.

As in the case of other North Atlantic ports, Baltimore also has advantageous freight rates in comparison with New Orleans and other Gulf and South Atlantic ports from that part of the mid-west situated roughly east of the Indiana-Illinois line, and an equality of rates with those ports on certain export and import traffic with the region west of that line. Baltimore, however, is at a disadvantage on certain other traffic originating in or destined to the area farther west. The railroads engaged primarily in serving the Gulf and South Atlantic ports are continuously attempting to impair this rate relationship. Constant vigilance is needed to protect what advantages Baltimore has in this respect, and aggressive action is required to improve the unfavorable aspects.

Moreover, by reason of its location, Baltimore has lower freight rates by varying amounts on export and import traffic to and from points in the South than those obtaining at Philadelphia, New York and Boston. Much of the foreign commerce of the South moves through the more southerly ports, but a certain amount is also handled at Baltimore and other Northern ports. While not of great volume, this business nevertheless contributes to the commerce of the Port and the maintenance of the existing rate relationships requires close attention.

In addition to other rate problems, water competition on the Mississippi and Ohio Rivers to New Orleans and on the Great Lakes, St. Lawrence River and the New York State Canal to the St. Lawrence ports, Albany and New York is always a threat to the stability of Baltimore's rail rate structure and to the preservation of its competitive rate advantages.

Defense against the recurring attacks upon Baltimore's favorable rate relationships requires aggressive technical effort.

As the welfare of the Port in large measure depends on the protection and improvement of its rate structure, such activity is necessarily

a basic factor in any port program.

RECOMMENDATION 12

"Free time for truckborne cargoes should be extended to five days for both imports and exports."

The term "free time" as used in this recommendation is the period allowed for the removal of landed cargo before storage charges are assessed. At the present time the railroad terminals at Baltimore and Philadelphia permit two days free time on cargo removed by motor carrier, whereas five days are granted on that removed by rail. Inbound cargo at New York is generally landed on piers owned or leased by steamship lines and free time varying from five to ten days is allowed for its removal, either by motor carrier or by railroad.

There has been complaint that the two-day limitation on import motorborne traffic is insufficient to permit the clearance of such imports through customs and other governmental agencies, and that five days, the same as on rail traffic, should be permitted for the removal of such cargo before the imposition of storage charges.

The Committee agrees that an additional free-time allowance on truckborne traffic would be desirable in the interest of facilitating cargo movement and reducing port costs.

RECOMMENDATION 13

"Free time on cargoes brought in by rail for export should be increased to ten days."

The "free time" in this instance is the period allowed for the assembling of outbound cargo without the assessment of storage charges. The period extended at present by the railroads at Baltimore and other North Atlantic ports is seven days. When the Survey Report was submitted there was controversy over the fact that the seven days free time at Baltimore was competitively insufficient in view of the longer free time allowed by rail-

roads and municipal terminals at the South Atlantic and Gulf ports. Representations were made by Baltimore and the other North Atlantic ports to the governing rate committees of the Eastern railroads, but the requested extension from seven to ten days in export free time was denied. The denial was subsequently upheld by the Traffic Executives Association of the Eastern railroads on account of the existing shortage of railroad cars and prevailing war traffic conditions which hold the possibility of congested pier and port terminal facilities.

The Committee feels that this subject should have renewed consideration at a later time, under changed national conditions. The present emergency was not foreseen when the recommendation was made.

RECOMMENDATION 14

"More liberal privileges in the handling of split-export-car-deliveries and storage during transit, both import and export, should be granted by the railroads to shippers using the Port of Baltimore."

The split-export-car-delivery rule referred to in this recommendation was liberalized as of February 1, 1950, to conform with the one applicable at New York. Under this rule the delivery of a carload of export freight can now be split among as many as five different vessels in the Port, subject to certain charges and restrictions. The Survey Report indicated that in one respect the rule was not uniform with the rule in effect in New York. This condition has now been corrected.

Negotiations relating to storage and handling charges during transit of freight over railroad terminals at Baltimore have been under way since the submittal of the Report. Some of the charges have been modified, and other changes are now being given active consideration.

The Committee believes that continuous attention should be given to this important competitive aspect of the Port.

RECOMMENDATION 15

"Handling charges for cargoes moved by rail should be made uniform at both privately owned and railroad owned piers."

This proposal concerns the absorption by the railroads of the cost of loading or unloading carload waterborne freight over municipal terminals, or terminals operated by steamship lines and individuals at certain other ports, but which are not absorbed by the railroads at Baltimore.

During several of the conferences held between the Survey Engineers and Baltimore port interests, it was asserted that the non-absorption by the railroads of the cost of loading or unloading cars of waterborne commerce moving over private and municipal piers was preventing the full utilization of those facilities and constituted a competitive handicap to the Port. The matter was eventually made the subject of a formal complaint to the Interstate Commerce Commission by certain terminal companies of the Port, in litigation commonly referred to as the Rukert Case.

The decision of the Interstate Commerce Commission in the proceeding will necessarily control the disposition of this issue.

RECOMMENDATION 16

"A detailed, cooperative study should be made by the railroads, steamship lines and truckers as to the advisability of imposing dockage charges at railroad owned or operated piers in order to provide a new source of income to aid in financing needed pier and terminal improvements."

The term "dockage" is applied to the charge made against a vessel for occupying space at a pier in order to discharge or load cargo or for other purposes. Such charges, variously computed, are imposed at many Atlantic and Gulf ports against vessels berthing at piers or docks operated by municipalities or state governments, and at public piers operated by individuals. It has not been the practice of railroads serving Baltimore and the other

North Atlantic ports to assess dockage against vessels berthing at piers or terminals operated by them. Inasmuch as substantially all deep-sea terminals at Baltimore are railroad owned or operated, dockage charges have never existed at this Port except for special use of private or municipal piers. The absence of such a charge against vessels at Baltimore has been considered a valuable port attraction to shipping.

It has been the policy of the railroads and other port groups through the years to resist the efforts of competitive ports to have dockage charges imposed at railroad owned or operated piers at Baltimore. The attitude in the past has been that the free-dockage system in effect here should be retained as a competitive port advantage, particularly in view of Baltimore's distance from the sea and the longer voyages required for ships calling at this Port.

New York interests have made strenuous efforts to bring about the imposition of dockage charges against vessels at the Port of Baltimore. While the Survey Report recommends such a charge to aid in the financing of pier improvements, it has also been suggested that there should be dockage charges against the ship in lieu of top wharfage against the cargo, a charge which is the source of complaint by motor carriers and by shippers.

In the discussion of top wharfage presented on page 25 of Volume II of the Survey Report, the observation is made that this charge "places Baltimore at some disadvantage with respect to New York." It concludes with the statement that the practice of imposing top wharfage charges in the Port of Baltimore appears to be justified under present conditions. The Report omits reference to the competitive effect this charge may have upon the volume of motorborne commerce or upon its relation to the traffic which it otherwise suggests is by-passing the Port. This matter of top wharfage is also involved in litigation before the Federal Maritime Board, in a

recent complaint filed by Philadelphia trucking interests.

The dockage charge issue is controversial, and subject to varying opinions. Its practical aspects should now be restudied in the light of today's conditions. The Committee therefore approves the recommendation for a cooperative study of the dockage question on the basis of (a) its relation to port competition and the attraction of shipping, (b) its relationship to the financing of pier improvements, and (c) as a substitute for the top wharfage charge on motor-truck traffic.

Respectfully submitted,

COMMITTEE ON PORT SURVEY RECOMMENDATIONS

Donald H. Sherwood, Chairman
Joseph Davidson
C. N. Eckhardt
Walter Evans
Charles S. Garland
Carlton A. Guenther
D. Luke Hopkins
D. A. Lindley
John T. Menzies
L. Vernon Miller
D. J. Moynihan
Harry F. Ogden
W. F. Schluderberg
C. W. Van Horn
E. B. Wright
C. R. Zarfoss

Albert D. Hutzler*
H. F. Sheely**

* Mr. Albert D. Hutzler states that because he was a relatively inactive member of the Committee, he approves the report in principle but not in detail.

** Mr. H. F. Sheely, president of the Steamship Trade Association, which organization submitted a separate report (see pages 54-56), was recorded as disapproving the Committee's report.

October 2, 1950

A P P E N D I X I

COMPARISON OF THE TYPE OF PORT ORGANIZATION RECOMMENDED FOR BALTIMORE BY:

The Knappen Tippetts Abbett Engineering Co.

Committee on Port Survey Recommendations
Baltimore Association of Commerce

1. Name:
 - a. The Baltimore Port District Commission, or simply the Port District Commission.
2. Purpose:
 - a. The centralization of administration of those features and functions of the port which naturally belong under public management. The establishment of the proposed Port District Commission would eliminate existing administrative deficiencies and would, through the grant of authorities and responsibilities additional to those now possessed by the existing public port agencies, make fully effective an agency capable of realizing the full potentialities of the Port.
3. Jurisdictional Area:
 - a. With Baltimore City as the nucleus, the port district would also include Baltimore, Anne Arundel, Queen Annes, Kent, Cecil and Harford Counties, as well as portions of Carroll and Howard Counties.
4. Organization:
 - a. The Port District Commission would be organized under State law.
 - b. It would consist of seven members who would receive no compensation, but their expenses would be borne by the Port District.
 - c. The terms of the Commissioners' office would be four years. In order to insure continuity of purpose and logical development of programs, the commissioners should have overlapping terms.
 - d. The commissioners would be appointed jointly and unanimously by the Governor, the Mayor, and the President of the Baltimore Association of Commerce.
 - e. Endeavor should be made in the legislation to attract men of distinction and accomplishment in public life, business, labor, or in a profession.
5. Functions and Duties
 - a. The Commission would be empowered to:
 1. Plan for the development and improvement of the Port.
 2. To finance and carry out necessary improvements.
 3. To exercise broad specific powers granted to it by the State and City.
 - b. The corporate powers that should be bestowed on the Commission include:
 1. The right of perpetual succession.
 2. The right to sue and be sued and to adopt and use a common seal.

1. Name:
 - a. Port of Baltimore Commission.
2. Purpose:
 - a. The new Commission would exercise similar, although broader and more flexible, powers than the existing Port Development Commission. While its functions would be confined largely to the physical development of the Port, it would serve as a coordinating agency for all major port matters. It would also be directed to study and make recommendations with respect to future changes in port administration.
3. Jurisdictional Area:
 - a. The corporate limits of Baltimore City.
4. Organization:
 - a. The Port of Baltimore Commission would be established by amendments to the present State Enabling Act providing for the creation of the Port Development Commission and the companion City Ordinances, or by the enactment of entirely new enabling legislation and appropriate City Ordinances.
 - b. The Commission would consist of seven members who would receive no compensation, but their expenses would be paid from budgetary funds to be provided by the City.
 - c. The terms of the Commissioners' office would be for four years. In order to assure continuity of purpose and logical development of programs, the Commissioners should have overlapping terms.
 - d. The Commissioners would be appointed by the Mayor of Baltimore. One member would be designated by the Governor of Maryland. Two members would be designated by the Mayor of Baltimore. Four members would be appointed from a list of nominees submitted by the Baltimore Association of Commerce, after it has secured recommendations from appropriate business groups. Three of the commercial appointments would provide representation for railroad, motor trucking, and steamship interests.
5. Functions and Duties:
 - a. The Commission would be empowered to:
 1. Plan for the physical development and improvement of the Port.
 2. Finance and carry out, with the approval of the Board of Estimates, port development projects in cooperation with private interests by either of the following methods:
 - a. Guarantee by the private borrowing agency to refund less than the total cost of the project, including interest payments, (the minimum refund has yet to be determined), with the title to the land and improvements remaining with the City at the termination of any such agreement.

COMPARISON OF THE TYPE OF PORT ORGANIZATION RECOMMENDED FOR BALTIMORE BY:

The Knappen Tippetts Abbett Engineering Co.

5. Functions and Duties: (Continued)

3. It would elect its various officers and appoint its own employees.
4. It would be empowered to enter into contracts and to hire such services as it may require.
5. It would acquire and mortgage property and dispose of property or grant the use thereof by franchise or lease, and also exercise the right of eminent domain.
6. It could borrow money upon its own bonds or other obligations but could not in any way pledge the credit of the State or other political entities.
7. It would establish its own procedures for doing business and exercise all powers not inconsistent with those reserved by the State and the port municipalities.

c. Other activities of the Commission would include:

1. The making of surveys of business conditions and opportunities, freight rates and port services and to take necessary steps to promote the commerce of the Port.
2. The conduct of physical surveys and investigations and to prepare plans for the modifications, rehabilitation and improvement of port facilities.
3. Representation before both state and federal agencies in all matters pertaining to the Port and to the transportation facilities serving the port area.
4. The ownership and operation of equipment, piers, terminals, warehouses, etc., and the authority to arrange for the design and construction of such additional equipment as it may require.
5. Subject to the paramount authority of the Federal Government it would regulate navigation in the Harbor and the construction of structures in navigable waters, and would issue permits for the construction, alteration or removal of structures of all sorts.
6. The operation of a Foreign-Trade Zone and an International House, whenever such facilities were found to be necessary and desirable.

6. Operating Staff and Departments:

- a. Supporting the Commission there should be a well compensated staff whose members would be selected for their integrity and ability and should be free of political interference and themselves restrained from political activities. The employees should have continuous tenure of office and should be included with the state employees retirement system.
- b. At the head of the staff would be a general manager selected by the Commission and subject to dismissal by it.

Committee on Port Survey Recommendations
Baltimore Association of Commerce

5. Functions and Duties: (Continued)

- b. Guarantee by the private borrowing agency to refund the total cost of the project, including interest payments, with the title to the land and improvements reverting to the borrowing agency at the termination of any such agreement.
3. Operate or lease City-owned port facilities which might be acquired at the termination of agreements providing for less than full amortization charges.
4. Acquire real property through condemnation proceedings only if specifically authorized by City ordinance.
5. Elect its own chairman and other officers and appoint its own employees.
6. Establish its own working procedures and hire any necessary services which might not be available through related City departments.
7. Conduct physical surveys and investigations and prepare plans, either on its own initiative or in cooperation with private agencies, for the modification, rehabilitation and improvement of port facilities.
8. Operate a Foreign-Trade Zone and International House, whenever such facilities are found to be necessary and desirable.
9. Study and make recommendations in regard to future changes in port administration.

6. Operating Staff and Departments:

- a. At the outset, the Commission would have only a minimum staff, with appropriate working relationships with related City departments and local port and business groups.

COMPARISON OF THE TYPE OF PORT ORGANIZATION RECOMMENDED FOR BALTIMORE BY:

The Knappen Tippetts Abbett Engineering Co.

Committee on Port Survey Recommendations
Baltimore Association of Commerce

6. Operating Staff and Departments: (Continued)

- c. An Assistant General Manager would be appointed to act as deputy and executive assistant to carry out routine duties and to act for the General Manager in his absence.
- d. The departments under the Commission could consist of Port Operations, Finance, Planning and Port Development, Engineering and Maintenance, Security, and Administration.

7. Relationship to Existing Public Port Agencies:

- a. The various duties of the existing municipal bureaus and departments dealing with the Port would be taken over by the new departments in the Port District Commission. This would include the Port Development Commission, the Harbor Advisory Board, and the Harbor Bureau of the Department of Public Works. The staffs of these agencies would be absorbed by the Commission.

8. Relationship to Existing Private Port Agencies:

- a. The various functions now performed by individual railroads and the various private and quasi-public associations now operating in the port area would be continued generally as at present, in order that the initiative of private industry would be safeguarded and maintained for the welfare of the Port.

9. Relationship to the Baltimore Association of Commerce:

- a. Since the Association of Commerce has been most successful in promoting the development of waterborne commerce in the Port, it should be retained in this capacity not only because of its well functioning organization for this purpose but also to insure continued interest by business men and other members of the Association in the welfare of the Port.
- b. In order to coordinate the work of the Export and Import Bureau of the Association with that of the Port District Commission, it would be essential to maintain close liaison between the two agencies. This would also be necessary because it is contemplated that some of the financial support of the Bureau should come from the Commission. Accordingly, the Commission should be represented on the Board of Directors of the Association.
- c. If the Commission ever becomes the custodian or operator of extensive port facilities, consideration should then be given to the formation of a Department of Business Solicitation and Promotion with the administrative organization of the Commission.

7. Relationship to Existing Public Port Agencies:

- a. Except for the Port Development Commission no immediate change would be made in duties of the existing municipal agencies dealing with the Port, this matter being left for future consideration by the Commission.

8. Relationship to Existing Private Port Agencies:

- a. The various functions now performed by individual railroads and the various private and quasi-public associations now operating in the port area would be continued generally as at present.

9. Relationship to the Baltimore Association of Commerce:

- a. The commercial promotion and rate protective work would continue to be carried out through the Association of Commerce, while the organization's Port Dispatch Committee would serve as a technical advisory board to the Port of Baltimore Commission.
- b. In order to coordinate the activities of the Association's Export and Import Bureau, Traffic and Transportation Bureau, and Port Dispatch Committee with those of the Port Commission, close liaison would be maintained between the two agencies.

A P P E N D I X I I

BALTIMORE CUSTOMHOUSE BROKERS
AND FORWARDERS ASSOCIATION

Baltimore-2, Maryland

June 30, 1950.

Mr. Stevenson Masson, President,
Baltimore Customhouse Brokers &
Forwarders Association,
105 S. Frederick St.,
Baltimore 2, Md.

Dear Steve:-

Referring to yours of March 29th, 1950.

Your Committee has analyzed the Knappen Report to determine corrections that should be made of conditions in the port of Baltimore as they affect exporters and importers using our port and potential principals interested in this gateway, and we wish to report our findings as follows:-

Cognizance has been taken of the fact that the port of Baltimore is a so-called bulk port where the railroads serving this port have materially benefited to the extent that the class of cargo referred to has primarily moved in connection with rails.

We are also cognizant of the fact that the local railroads have been rather active for many years in their solicitation efforts with respect to other classes of freight of "top cargo" nature and that the success in that direction has been rather infinitesimal. We are also aware that thousands of tons of this high-class traffic are by-passing the port of Baltimore annually in favor of the more northern ports and New Orleans because of our present unsatisfactory pier facilities for trucks. We have also concluded that over a period of time, competitive ports, realizing that the wide expansion of traffic moving by truck had made considerable inroads, took far-reaching measures to improve their seaboard conditions and thus enjoy the movements of that cargo where the time in transit by truck is faster than railroads could offer.

The competitive ports referred to also learned that discrimination is unwarranted; that a port was primarily concerned with the service rendered the exporter and importer and that those users had a perfect right to select the best means of transportation and the best port where proper service was available at the lowest cost whereby there would be a direct benefit to the principal involved.

We have also recognized that many competitive ports extend a free time privilege to foreign traders in excess of the free time allowed in the port of Baltimore, thus permitting the exporter or the importer to gauge his plans in accordance with a simple rule. We have also not lost sight of the fact

that at many competitive ports regular steamer lines have fixed berth terminals where these users can determine at a moment's notice the pier or terminal to which delivery can be made or accepted, a condition not now available in our port.

We, therefore, recommend the following:-

All regular lines of steamers operating to and from the port of Baltimore should have definite and distinct berths. Irregular lines should be assigned to one or two fixed piers. The free time on traffic coming in or moving out by truck should be five days instead of the present forty-eight hours. The free time for rail traffic, both import and export, should be extended to ten days, instead of the present five and seven days respectively. Top wharfage expenses on exports and imports should be absorbed by the steamship companies involved. Pier labor charges, if any, should be borne by the truck. The expenses above referred to are of no concern whatsoever to the user of the port of Baltimore. The principal is willing to pay his proper freight costs and other normal charges, but is not to be penalized because the piers in the port of Baltimore are the property of railroad companies. If the port insists upon such exactions, those users have a perfect right to route via ports where the expense is free as far as those users are concerned.

Finally, as your Committee believes in free enterprise and our competitive system, we recommend, in the event the railroads operating in and out of the port of Baltimore, do not improve their pier facilities whereby truck traffic can be satisfactorily handled, that steps be taken for new terminals to be built within the port either with private funds or public funds, or both, and those terminals leased to steamship lines. We earnestly believe, in order to improve the conditions within the port of Baltimore, whereby traffic, especially truck traffic, may move in a large volume, that competition within the port is the guiding star; that if privately or publicly owned terminals are available, the railroads will, in accordance with the natural course of events, automatically improve their own facilities so as to compete with those modern piers that are not railroad-operated or controlled. The old law of human nature has demonstrated that competition will improve a condition to such an extent that the public in general will benefit thereby.

To summarize, therefore, we unquestionably feel that "top cargo" traffic, both export and import, can be increased via the port of Baltimore if there is a vast improvement in the pier conditions, whereby trucks may freely move in and out. We believe a traffic increase would eventually promote direct instead of indirect sailings to and from world ports. As foreign trade has many tributaries, we believe that suitable port improvements would materially benefit the welfare of the city of Baltimore and encourage many new industries to come here. Baltimore's biggest asset is the port and as we must compete with the other seaports of the country so as to retain and to increase foreign trade through this gateway, it is imperative that appropriate steps be taken to promptly improve and expand the port's facilities.

The port of Baltimore must go forward.

Respectfully submitted,

Samuel Shapiro, Chairman

Walter V. Connor

F. H. Kooke

SS:RHC

REPORT OF THE BALTIMORE RAILROADS

June 22, 1950

Mr. Donald H. Sherwood
Chairman, Port Survey Committee
Baltimore, Maryland

Dear Sir:

Pursuant to understanding reached at meeting held on May 8th the railroads collectively submit their comments on recommendations of engineers under paragraph 93, items 1 to 19 inclusive, viz.:

1. "The port promotion development activities of The Baltimore Association of Commerce be maintained--"

Railroads in agreement.

2. "Continued effort should be made to increase the number of direct sailings between Baltimore and foreign ports."

Railroads in agreement.

3. "The main navigation channel in harbor from deep water to Fort McHenry widened to 800 feet. Connecting channel between main channel and inland waterway should be widened to at least 500 feet and deepened to 35 feet. The Chesapeake and Delaware Canal should be improved by widening and deepening."

Railroads in agreement.

4. "Anchorage No. 3 extended and deepened to 35 feet."

Railroads in agreement.

5. "Repairs should be made to icebreaker "Annapolis" and additional icebreaker be provided."

Railroads in agreement.

6. "The general cargo piers of the Port should be improved and expanded to include:

a. Provision of new access roads, transit sheds, and cargo handling equipment at the Lower Canton piers."

The Canton Railroad is not in agreement with engineers' report regarding future development of the present Canton Piers. They feel alternative plan prepared by their own engineers affords a much better design

and more flexible terminal at much less cost. It can only be considered in light of sufficient traffic increase to justify the expenditure.

b. "Provision of better ship and truck accommodations at the Pennsylvania Railroad Piers."

The Pennsylvania Railroad is not in agreement with respect to recommendations of engineers in regard to providing additional truck accommodations. They feel present facilities are ample to take care of present traffic and if additional facilities are required by trucking interests such as storage warehouse space, primarily for their use, it would be consistent for them to assume the cost of such construction.

c. "Provision of better access road and truck accommodations at the Locust Point piers."

The position of The Baltimore and Ohio with respect to this item was stated by their vice president in charge of traffic at meeting of Port Survey Committee on November 29: "That insofar as the improvements contemplated at Locust Point under Stage 1 are concerned, same should be privately financed. As to the extent to which trucking interests might be persuaded to participate was a matter for further discussion."

The Baltimore and Ohio takes the position that this is one of tripartite interest, namely - rail, steamship and truck and all parties involved should sit down and reach a common understanding as to what is actually needed in the way of improvements to meet the traffic situation and the manner in which it is to be financed with definite understanding it will not be done wholly or in part with public funds.

d. "Provision of better truck access at the McComas Street piers."

Western Maryland Railroad takes the position that with few exceptions they are experiencing no difficulty in accommodating trucks at piers.

e. "Reconstruction of the Municipal Piers on Pratt Street."

Railroads' position is that this is a matter for municipal action.

f. "More extensive use throughout the Port of mechanical cargo handling equipment."

Railroads have and will continue to obtain necessary and sufficient mechanical equipment to properly serve the Port.

7. "A new pierside warehouse should be provided concurrently with general cargo pier improvement and expansion at the Canton Company Retainer Pier, Pennsylvania Railroad Pier 6 and the McComas Street Terminal."

Canton Railroad's position is that with the exception of 1947 there has been no lack of warehouse space at Canton Terminal and at the present time the construction of a new pierside storage warehouse could not be justified economically.

The Western Maryland Railroad's position is that the possible need for additional storage facilities, especially for import freight and general pier expansion, has for some time been under consideration. In fact, improvements are now progressing. The Port Survey's suggestion of pierside warehouse is not practical and the railroad's own plan in this respect is far ahead of the Survey recommendations.

The Pennsylvania Railroad feels that construction of storage warehouses on East side of Clinton Street opposite Pier 1 to provide additional storage space is not needed. Pier 1 is now being extended 170 feet outward to the new warden line with one-story warehouse. (The existing pier has a two-story warehouse) Had additional storage space been required a two-story warehouse would have been provided. Neither do they approve construction of either one or two warehouse units on opposite sides of Clinton Street from Pier 1 for the reason this would necessitate removing 30 tracks serving pier for a length of 400 feet and would seriously deplete storage yard serving Pier 1.

8. "A central ore terminal to be served by two or more railroads should be developed."

The Baltimore and Ohio are now constructing a modern ore handling pier at a cost of several million dollars and will be ready for service in February 1951.

The Western Maryland have also improved their ore handling facilities so as to speed up the unloading of ore cargoes and this together with Canton facilities provide adequately. Therefore, no additional ore facilities are needed.

9. "Practicability of small boat harbor."

No comment.

10. "Marginal streets and highways serving the waterfront be improved."

Approved when considered necessary.

Recommendations 11, 12, 13, 14, 15 and 16. -

These recommendations have been under active consideration by the railroads. Some have been satisfactorily adjusted and others are being processed to a conclusion.

17. "Action toward the development of a Foreign-Trade Zone."

Railroads agree there is little if any advantage from rail viewpoint to Foreign-Trade Zone and can be deferred.

18. "No action should be taken at this time towards the organization of an International House or Trade Mart."

Railroads concur. The advantages from railroad point of view questionable.

19. "A central port agency, designated as the Baltimore Port District Commission, should be created and authorized to assume responsibility for port development and improvement, construction and operation of authorized facilities, and the protection and development of commerce."

The railroads see no objection to creating a Harbor or Port Commission to take over the present functions of the Harbor Development Commission and correlate all activities of the Harbor under one head. The Port Development Act of 1920 should be so amended that this Commission would have sole authority in carrying out the purpose and intent of the act. The Commission should consist of six members serving without remuneration except expenses; one appointed by the Governor and one by the Mayor of Baltimore. One should be selected by the railroads, one by the trucking industry, one by the steamship trade and one by The Association of Commerce. Commissioners should select one of their number as Chairman and should be given authority to employ whatever personnel is necessary to properly administer the affairs of the Harbor. The railroads over the years have been alert to the needs of the Port. They have spent millions of dollars providing facilities and now have under construction facilities costing millions more. Mainly through the expenditure of private capital the Port of Baltimore has reached its present status. The railroads do not look with favor upon creating an all inclusive Port Commission with right of Eminent Domain assuming all the right and control over the operation of the harbor that such an act implies.

Yours very truly,

Representing

C. W. Van Horn
Baltimore and Ohio R. R.

D. J. Moynihan
Pennsylvania R. R.

C. R. Zarfoss
Western Maryland R. R.

D. A. Lindley
Canton R. R.

SUPPLEMENTAL REPORT OF THE
BALTIMORE RAILROADS

Baltimore, Md., June 20, 1950.

Mr. Donald Sherwood,
Chairman, Port Survey Committee,
Baltimore, Maryland

Dear Sir:

Referring to notice from Secretary Hamill of Committee that meeting will be held 3:30 P.M., June 27, to arrive at a decision on the major question presented by Knappen Tibbetts Abbett Report on Port of Baltimore, namely: "Whether the Committee favors the establishment of a Port District Commission as recommended by the Engineers. If not, what modifications of the Knappen Tibbetts Abbett proposal, if any, should the Committee suggest."

The Engineers fully outline in this report in Article 67-68-69-70-71 on pages 35, 36 and 37 the present administration and operation of the Port.

The Railroads see no objection to creating a Harbor or Port Commission to take over responsibilities and duties of the various departments, such as Department of Public Works, which have charge of Harbor Engineers, harbor improvements and all other and sundry departments which have certain functions that can all be very well and should be administered by one Central Authority.

The Harbor or Port Commissioners should consist of representatives of the State, City, Railroads, Trucking, Steamship and Association of Commerce, should serve without compensation except expenses. The members of the Commission other than the two representatives of the State and City should be appointed on recommendation of the interests represented, namely; Railroads, Trucking, Steamship Trade and Association of Commerce. The Commission should be given power to employ whatever personnel is necessary to properly administer the affairs of the harbor.

The Port Development Act of 1920 should be implemented so that this Commission would have same authority in carrying out the purpose and intent of the Act.

The Railroads have been alert to the needs of Port Development as emphasized by the millions of dollars of expenditure over the years, and, at the present time the Baltimore and Ohio and the Western Maryland are making substantial expenditures to attract ore shipments through this Port and have from time to time made changes at the piers to attract additional business through the Port.

The Railroads do not feel that an all inclusive Commission with right of eminent domain is necessary and the Port will be better serviced through the same private enterprise methods that have raised the Port to its present status, namely; second in importance in the Nation.

Yours very truly,
C. W. Van Horn

HARBOR ADVISORY BOARD
REPORT ON THE PORT OF BALTIMORE

August 22, 1950

With relation to the report made by the firm of Knappen Tippetts Abbett Engineering Co. of New York, and with particular reference to recommendations in Volume II of their Report, said recommendations being numbered 1 to 19, it appears that these recommendations provide the core of the whole Report.

These recommendations are supported by the analyses made in the so-called "three phases" of the Report, viz: 1, 2 and 3. These recommendations also envision the expenditure in various stages of over \$100,000,000 in bringing the Port up to what the engineers consider efficiency in port development and operation. Unfortunately, the report as submitted does not suggest where funds may be secured for accomplishing this purpose other than by State and City appropriations. The Report does suggest without supporting evidence that approximately two and a half million tons of cargo is now by-passing the Port of Baltimore, but it does not set forth convincing data to show that the expenditure of \$100,000,000 or more could be economically justified even if all the stated two and half million tons of traffic could be attracted to Baltimore in addition to the traffic it already enjoys.

ECONOMICS OF REPORT

Certainly, it can be justifiably stated that improvements in waterfront facilities are necessary in order that Baltimore can maintain its position in waterborne commerce and perhaps improve its present position. On the other hand, it must be said that the Report lacks convincing evidence

of how such improvements can be economically justified. A study of the Report convinces the impartial observer that implementation is just as essential as basic findings. It must be recognized at the same time that even a portion of the recommended improvements can only be obtained through careful and exhaustive study of both "functional and physical" attributes of the Port before heavy expenditures are undertaken.

In the course of such study it must be recognized that Baltimore is in competition with Montreal, New York, Philadelphia, Hampton Roads ports and especially because of substantial inland differentials from the C.F.A. territory faces heavy competition from the gulf ports of Mobile, New Orleans and Houston. It must be further recognized that Baltimore's port activities are largely if not almost entirely, controlled by the railroads having water-side terminals in the port, while conversely, the other ports mentioned above are, to a substantial degree, with the possible exceptions of Philadelphia and Hampton Roads, controlled by municipal or state organizations. Therefore, the road which Baltimore must choose is whether to turn from a privately operated port to a publicly controlled port, or whether an alternative can be developed which will result in the combination of municipal, state and private interests; or, in other words, a middle course which will bring about the desired results of meeting competition, obtaining the best phases of public and private efforts in combination.

Assuming that the community is agreed that a combination of private and public effort is necessary in order to secure the best results for expansion of the port, it then becomes a question of how this can be accomplished with a minimum of difficulty and a proper balance between public and private participation which will avoid, as far as possible, the mistakes made at other ports where politically dominated authorities had been in

charge. A thorough study of such port set-ups should provide information through which Baltimore could develop a combination of these groups whose entire efforts will be directed toward improving the port along sound economic lines.

The Association of Commerce has over the past twenty years or longer been more or less a spokesman for port promotion and little or no attention has been paid to the port by the political entities; i.e., the State and City, although at this point it must be emphasized that approximately 50% of the population of Maryland lies within the metropolitan district of Baltimore and that the prosperity of the State has been largely dependent on the prosperity of the Port. Therefore, it seems essential that the Governor, the Mayor, State Legislators and the City Council should give increasing attention and study to the Port as such in order to assure in large measure the continuing prosperity of the State and City.

It is confidently believed that the time has arrived where increasing participation on the part of the City and State government must be had in development in order to obtain the best results. As above referred to, it is the history of other ports which have developed rapidly and more or less successfully that such development has been aided and abetted by municipal and state participation. At the same time, it must be recognized that certain difficulties have developed by reason of over-emphasis on political participation and lack of balance between political and private representation. Therefore, we do not look with favor upon creating an all inclusive Port Commission with right of Eminent Domain assuming all the right and control over the operation of the harbor that such an act implies.

Recommendation No. 1 of the engineer's report under item 93 provides that "port promotion and development activities of the Association

of Commerce be maintained and given full support". Recommendations Nos. 2 through 18 summarize the findings of the engineers as to what general steps should be taken in regard to channels, anchorages, piers, approach roads, readjustment of free time, top wharfage and other charges. Recommendation No. 19 suggests that "a central port agency designated as the Baltimore Port District Commission should be created and authorized to assume responsibility for port development and improvement". Recommendation No. 19 conflicts with Recommendation No. 1 in that should a Port Development Commission be organized, it would of necessity take over at least in part some of the functions now performed by the Association of Commerce. Any practical operation of the Commission would either have to envisage the direct performance of some of these duties or at least supervisory action in directing a policy of the Association to the extent that the matters involved had direct connection with port development.

In the Engineer's Report it is also suggested that the Port Development Commission, a legal arm of the State and City, should have its status revised and should become a part of the so-called Port District Commission. It is agreed that the Port District Commission should either be built around the Port Development Commission as presently operative with certain revision of the Port Development Act to bring in tune with modern conditions, or that the Port District Commission should absorb the Port Development Commission and certain functions of the Association of Commerce, the Harbor Advisory Board and other agencies, including at least supervisory control of the Harbor Engineer's activities which is now under the direct control of the City of Baltimore.

The Report of the Engineers is now being studied by a number of committees which include one from the Association of Commerce, one from the

Harbor Advisory Board, one from the Steamship Trade Association and perhaps, eventually, a study by the Port Committee of the City Council. Undoubtedly, the reports made by these various committees will show considerable conflict in regard to particular phases of the Report as well as the overall policy to be adopted. It is not known where these Reports will finally come to rest, but in order to pursue an orderly approach, it would seem advisable to have agreement among the various interests to set up a committee having representation from the State, City, Association of Commerce, Steamship Trade Association, Railroads, Motor Carriers, and at least two or more representatives from the public at large who could act as clearing house for the study and examination of the various reports with an effort to correlate the recommendations and recommend to the Legislative Committee a law which would formally bring the Port District Commission into being. Such studies and recommendations might readily be completed in time to present a comprehensive bill to the Legislature at its next session.

The above covers an interim approach to the question for the purpose of making progress in solidifying the thinking of the Community as a whole. It is, naturally, predicated on the theory that a proper solution of the Port problems cannot be successfully accomplished unless some central authority is set up with legal background which can, after organization and employment of proper personnel, proceed to study other recommendations, viz: 2 through 18 and endeavor over a period of time to adjust the inequities which exist functional-wise as well as to make from time to time sound economic recommendations for expansion of facilities. It would be, more or less, axiomatic that any recommendations made by this commission would be based on a full study of whether recommended expenditures could be expected to attract sufficient traffic to make them sound investments.

Respectfully submitted,
J. Joseph Brune, Chairman
Harbor Advisory Board

HCJ:JB

CITY COUNCIL OF BALTIMORE
HARBOR AND AVIATION COMMITTEE

August 7, 1950

The Honorable Thomas D'Alesandro, Jr.
Mayor of Baltimore
Baltimore 2, Maryland

Dear Mr. Mayor:

In compliance with your request, the Harbor & Aviation Committee, after a study of the "Report on the Port of Baltimore", presents for your consideration the following:

1. The report, as submitted by Knappen Tippetts Abbett Engineering Company, indicates a comprehensive grasp of the problem and a possible approach to its solution. The Committee approves the report in principle.
2. The agencies presently studying the report are made up of technically trained men and practical users of the port and its facilities. In anticipation of receiving specific and definite itemized recommendations covering all phases of the report, it is not considered appropriate at this time to formulate a complete statement of position as the matters involved will, no doubt, come before this Committee for consideration in its official capacity.

From an overall standpoint the Committee makes the following recommendations:

1. The establishment of a Port Authority. Not necessarily as recommended by the engineers' report.
2. Immediate consideration should be given by the City Solicitor to the Port Development Act with the view of liberalizing it and also be prepared to propose such legislation needed to transfer the activities of existing municipal agencies, having jurisdiction over the port, to the Port Authority, if and when it is activated.
3. That during the period of discussion and final action on the report, the Association of Commerce and other agencies interested in the welfare of the port, be urged to make every effort to implement the following recommendations made in Paragraph 93 of the report:

- a. Continued effort should be made to increase the number of direct steamship sailings between Baltimore and foreign ports.
- b. A detailed study should be made of the demand for and practicability of a small boat harbor.
- c. Continued effort must be made to protect the favorable advantages which Baltimore now enjoys in railroad freight rate differentials.
- d. Free time for truckborne cargoes should be extended to five days for both imports and exports.
- e. Free time on cargoes brought in by rail for export should be increased to ten days.
- f. More liberal privileges in the handling of split-export-car-deliveries and storage during transit, both import and export, should be granted by the railroads to shippers using the Port of Baltimore.
- g. Handling charges for cargoes moved by rail should be made uniform at both privately owned and railroad owned piers.

It is further recommended that:

- 1. You request the private agencies making a study of the port to have their recommendations in your hands no later than September 30, 1950.
- 2. You designate the Harbor & Aviation Committee, together with such administrative officials as you may select, as an official committee, representing the City of Baltimore, to hold public hearings, make studies, and submit to you final recommendations for municipal action.

Respectfully submitted,

Charles A. Masson Chairman
Harbor & Aviation Committee

Thomas R. Reid, Vice-Chairman

H. Warren Buckler, Jr.

Edward A. Freburger

Maxwell Alpert

William Bonnett

Medio Waldt

THE INDUSTRIAL TRAFFIC MANAGERS ASSOCIATION OF BALTIMORE

The Industrial Traffic Managers Association of Baltimore have the following comments to make about the survey of the Port of Baltimore by the Knappen Tippetts & Abbett Engineering Firm.

A study of the Engineers' Report gives us a great deal of satisfaction because in effect all of the statements we made in a survey of our own released in February 1949 have been endorsed with one exception. That exception concerns our suggestion for reciprocal switching within the Port area. Although we still consider it desirable, we are willing to abide by the recommendations of the engineers.

Our 1949 report suggested among other things a Port authority; the engineers on the other hand recommended a Port District Commission. Although there is little difference between the two recommendations, we will support the Engineers' suggestion. At the same time we urge that the Port District Commission be established immediately.

We want to make it clear, however, that we do not think the Commission should embrace the area suggested, but believe it should be confined, for the present at least, to the area of the Port of Baltimore itself.

The Commission should be free of Political ties and should be appointed jointly not only by the Mayor, the Governor and Baltimore Association of Commerce but also by a Representative from such groups as the Baltimore Chamber of Commerce, the Steamship Trade Association, the Railroads and the Maryland Motor Truck Association.

In our opinion, the Engineers did a good job in analyzing the deficiencies of the Port. We realize, however, that to carry out the recommendations from stage one through stage three in a short period of time would be unreasonable. Nevertheless, we urge that stage one be implemented without delay and that stage two follow almost immediately. Stage three may be considered after the first two stages have been completed. Business and economic conditions at that time should dictate how much of stage three should be activated.

As to the several miscellaneous recommendations by the Engineers, we consider them matters to be determined by the Port District Commission.

In the interest of Baltimore, as a whole, the improvements should be started as soon as possible, so that its people, in general, and its business and industry, in particular, can derive and maintain a healthy economy through the establishment of an up-to-date and prosperous Port. We believe the statements we made in February 1949 represent a fair appraisal of what is needed in Baltimore. This was borne out by the survey and we hope that nothing will be placed in the way to detract from meeting the problem squarely.

AUGUST 1, 1950

A. E. STUDE, CHAIRMAN
PORT OF BALTIMORE COMMITTEE

MARYLAND MOTOR TRUCK ASSOCIATION, INC.

June 20, 1950.

To the Committee on
Recommendations of the Port Survey Report:

Gentlemen:

Hereunder follows the Report of the Committee of this Association, on the Report of Knappen Tippetts Abbett Engineering Co., after their completion of the Survey on the Port of Baltimore and its future development:

Our Association's Committee Report is in the main, based upon the summation of the Nineteen Points of Conclusion and Recommendations, as outlined on Page 47 of the Engineers' printed Report. These conclusions are roughly divided into three parts. First: The immediate alterations to modernize those piers, which now seriously interfere with the free movement and dispatch of motor trucks, including the approaches to those piers. Second: The further development of the piers over a period of years to so change their present physical arrangement to adequately handle cargoes intended for vessels to be docked or berthed in this Port, to facilitate the handling of truckborne merchandise to the end that they may be unloaded at their first call at the pier, rather than as now. The present set-up is most unfortunate in that trucks which come from distant points, without knowledge of the movement of the vessel for which their load is intended, must frequently return with the loaded truck, or unload at a storage warehouse, or remain under load, until the vessel arrives, if the date of arrival is not more than one or possibly two days. All this spells delay, increased expense and general dissatisfaction with the handling of motor truck cargoes into this port and all extremely aggravating. Third: Point No. 19 of the Conclusions.

The Trucking Industry cannot but feel keenly, the penalties and discriminations, to which it is subjected in its efforts to help make Baltimore the first Port of the nation. These penalties and discriminations at the hands of the Owners of the piers are a matter of record. They should be abolished and would be, under circumstances which would come into existence, were the piers operated as public conveniences and necessities. Even under present private ownership, but changed operating methods, could these changes be brought into being. The pier owners say they obtain sufficient revenue from the haulage of carload and other railborne traffic, either intended for, or received from the vessels which dock at their piers. We say the owners are entitled to and should receive revenue for their piers at which vessels are docked. This practice is now in effect in every port where the piers are operated under Port Authorities, or are the property of the municipality where the piers are located. Top wharfage as such is unknown in those other ports.

The Trucking Industry, locally and over the whole nation, is adequately served with termini, practically all of which are owned by the

operators occupying them. The motor truck hauling to piers in Baltimore, whether local or long distance, is for the account of the shipper or receiver-owner of the truckload, who pays the top wharfage, although the steamship company receives the greatest benefit from a revenue standpoint. It should be kept constantly in mind that the origin of top wharfage in Baltimore was only as a nuisance tax against motor trucks. It appears grossly shortsighted that this practice should be continued when it is recalled that the motor trucking industry, that is, contract and common carriers, operates but a comparatively small part of the million or so trucks in this country. Operators of the balance of this great total are owners - that is, shippers and receivers.

We believe the Owners of the Baltimore Port piers should be given every opportunity to develop and retain the piers they now own and operate. The proposed changes and improvements should be owner financed, with such assistance from public funds as may be required or advisable, so as not to interfere with working capital. These funds should be amortized from revenue, to a large extent, received from the users of the piers, who derive the greatest benefit from them. All this with the thought in mind that private enterprise should be given every possible advantage and opportunity to operate. However, failing in this, we would feel no choice other than to endorse and recommend the setting up of a Port Authority, with all necessary power to take over and operate the piers of this Port for the benefit of the thousands of citizens who gain their livelihood, directly and indirectly, from the Port, the City of Baltimore and that territory of the State of Maryland immediately contiguous.

Respectfully submitted,

MARYLAND MOTOR TRUCK ASSOCIATION, INC.

Carlton A. Guenther, Chairman,
Port Development Committee.

(COPY)

STEAMSHIP TRADE ASSOCIATION OF BALTIMORE

37 South Street

Baltimore 2, Maryland

September 20, 1950

Mr. S. Page Nelson, President
Baltimore Association of Commerce
c/o Savings Bank of Baltimore
Baltimore and Charles Streets
Baltimore 2, Maryland

Dear Mr. Nelson:

For your information, at its regular Monthly Meeting on September 12, 1950 the Steamship Trade Association of Baltimore, Incorporated, by a vote of 26 to 2, adopted the unanimous Report of its Port Survey Report Committee on the Report of the Knappen Tippetts Abbett "Report on the Port of Baltimore" copy of which is attached.

Faithfully yours,

(Signed) H. Franklin Sheely

H. Franklin Sheely
President

HFS:MS

Attachment

STEAMSHIP TRADE ASSOCIATION OF BALTIMORE INC.

REPORT ON THE KNAPPEN TIPPETTS ABBETT

"REPORT ON THE PORT OF BALTIMORE"

September 12, 1950

After what is believed to be a comprehensive study of the Knappen Tippetts and Abbett "Report on the Port of Baltimore", this committee feels that the report is a definite step in the right direction and offers some basic recommendations which are fundamental and should be acted on by all parties concerned at the earliest possible opportunity.

The recommendations, which, to this committee, appear to warrant immediate consideration are as outlined on page 51 of Volume I of the report. They are as follows:

10. The marginal streets and highways serving the waterfront should be improved to provide better truck access to the piers.
11. Continued effort must be made to protect the favorable advantages which Baltimore now enjoys in railroad freight rate differentials.
14. More liberal privileges in the handling of split-export-car-deliveries and storage during transit, both import and export, should be granted by the railroads to shippers using the Port of Baltimore.
15. Handling charges for cargoes moved by rail should be made uniform at both privately owned and railroad owned piers.

In addition to the above recommendations, Nos. 12 and 13 as outlined in the Report should be liberalized and the committee feels that the most satisfactory recommendation would be as follows: "Free time should be the same for truck and rail borne cargoes and that the free time allowed should be uniform with railroad, truck and like traffic in the other competitive U. S. Ports.

If the Port of Baltimore is to maintain and improve its position among the other Atlantic Coast and Gulf ports, the recommendations stated above are of primary consideration and when acted upon will no doubt attract a large volume of traffic which is now by passing Baltimore for other Atlantic and Gulf ports. A large percentage of this cargo is believed to be "general" or "top" cargo which in addition to providing higher revenues for rail, truck and waterborne movement, also is desirable as it affords more balanced cargoes which would prove an added incentive to users of the port.

In addition to the fundamental recommendations listed above, the Knappen Report recommends under Item 19, page 52 of Volume I, the establishment of a Central Port Agency, designated as the Baltimore Port District Commission. While the committee agrees that a Central Port Agency should be established, it does not agree with the Report as to its organization as set forth in Chapter XVI, paragraph 10, page 113, Volume II. We feel that the jurisdiction of such a commission should be confined to the existing limitations of the Port of Baltimore.

In the opinion of this committee, the most satisfactory commission would consist of seven or nine men as follows:

1. A representative of the State of Maryland appointed by the Governor.
2. A representative of the City of Baltimore appointed by the Mayor.
3. A representative appointed by the Mayor from five names submitted by the Baltimore Association of Commerce.
4. A representative appointed by the Mayor from a list of five names submitted by the Maryland Motor Truck Assoc.
5. A representative appointed by the Mayor from a list of five names submitted by the railroads serving the Marine terminals in the Port of Baltimore area.

6. A representative appointed by the Mayor from a list of five names submitted by the Industrial Traffic Managers Association.
7. A representative appointed by the Mayor from a list of five names submitted by the Steamship Trade Association.
8. If deemed advisable, two more members may be appointed by the Mayor from other port interested groups.

It is believed that a commission, comprised in part of the major interests connected with the port would be a safeguard of the public interests in addition to being a representative group.

The commission, once established, should have broad general powers to insure its proper functioning without the necessity of amendments or new acts to supplement the act which establishes it. Any existing agencies having jurisdiction over the port should be incorporated into the scope of the proposed commission, and this incorporation should be clearly set forth in the legislation which would create the Central Port Agency.

This committee urges that immediate steps be taken by the Mayor and City Council to prepare the necessary legislation for consideration by the Legislature at its next session.

The committee further feels that the remaining suggestions and recommendations contained in the Knappen Tippetts and Abbett Report should be submitted to the Central Port Agency after its creation and that the commission should be empowered to act on and initiate the outlined improvements.

Respectfully Submitted,

F. X. Sharp
J. J. Brune
Joel Cloud
E. B. Wright
W. G. N. Rukert

Rex Wheeler, Jr. (Chairman)

INDIVIDUAL VIEWS OF TWO MEMBERS OF THE STEAMSHIP TRADE ASSOCIATION

The Steamship Trade Association of Baltimore, Incorporated adopted the report of its Port Survey Committee in which the survey committee reported its studies on the Knappen Tippetts Abbett Engineering Company's, "Report on Port of Baltimore." A minority of the members dissented and the following is the report of the minority.

The minority believes that the Knappen report is sound in the recommendations for alterations and improvements to the port facilities as outlined in the Stages I, II, and III.

The municipal and state authorities should proceed to influence the owners of the port facilities, to put into effect the various recommendations in Stage I with the least possible delay and Stage II and Stage III should be the subject of further study.

It is essential that the highways leading to and serving in the facility be straightened, widened and adequately paved to permit free flow of traffic to and from the piers with the elimination of congestion and loss of time. It is also essential that the railroads increase the storage warehouse capacity adjacent to the piers to relieve the congestion of cargo on the unloading and transit piers and to minimize the diversion of ships to other ports through failure of local storage capacity. It is also essential that the slip heads at the street end of the cargo piers be utilized by the building of marginal sheds at truck tail-gate level to permit the loading and unloading of trucks without congesting the piers with the movement of the trucks and trailer units thereon. The marginal sheds at the slip heads should connect with the piers by large entrances to permit the movement of cargo to and from the marginal sheds. The emphasis which the minority places upon immediate consideration of the alterations and im-

provements outlined in Stage I is the result of the minority's conviction that the business of the port is badly impeded by the failure of the railroads to cooperate in the delivery of truck traffic. The railroads have endeavored to restrain the competition of the trucks in an ill-conceived idea that the merchandise which is susceptible to truck competition could be retained for the railroad haul. This conception has proved to be erroneous in that the trucks have continued to make severe inroads into the transportation of the lighter and generally less than carload shipments by virtue of the greater flexibility and speed of delivery and the conception has only caused the shipping public to be harassed and confused by the punitive charges assessed by the railroads and the lack of proper facilities both of which have been continued to prejudice the movement by truck.

The movement of freight by truck is established. The railroads cannot do other than harass the movement, they cannot retain the shipments for the rails and in the case of Baltimore, it has meant the steady and continued diversion of these shipments to other ports where facilities exist for the handling of truck traffic in conjunction with shipments by marine facilities.

The Knappen report fails to properly emphasize the increased benefits which would accrue to the railroads if they would combine reduction of charges and the construction of better cooperative facilities inducing a larger movement of the overland truck freight. The railroads will find that more ships would be coming here to the port and more would be loading from this port directly for foreign destinations, because it is a matter of competent information that the high revenue cargo which naturally flows to the truck traffic increases the revenue loading of the ships and permits them to sail from ports having such high revenue cargo instead of completing

the cargoes at other ports. If this business materialized, and the purpose of this report is to assert that it would, the railroads would find, that on such ships loading larger tonnage there would be brought to this port for loading aboard such ships more carload rate freight instead of being distributed up and down the coast for loading aboard the ship in question at the port where it calls for the high revenue cargoes. The improvement of business by the methods described would inure to all of the services involved including practically every segment of the city's business by the inflow of additional revenue, in wages, transportation revenue, etc. To continue to believe that the truck traffic can be excluded is productive of disaster as it will deny the flow of the high revenue cargoes to this port.

The minority is not unmindful of the fact that the trucking industry has a very definite obligation which they have not assumed. Trucks are encountered at the piers attempting to receive or deliver cargoes with no labor being provided by truck to complete their obligation.

The over-the-road trucking companies have a very definite obligation in this situation. Improvement of the volume of business in this port will materially improve the revenue. The trucking companies should consider the erection of a joint central terminal for the handling of export and import cargoes. The terminal should be advantageously located to provide for the accumulation of cargoes and to permit the expeditious handling to and from the vessel. Such a facility would materially compliment the subjected reforms in the rail carrier's properties.

The minority is opposed to the recommendation for a port district commission or any other body approximating it in form or scope. The formation of such a body with concomitant legislative authority in this port

would invite the participation of political pressure with all of its involved patronage, etc. and would serve to interfere with the extension of individual private enterprise in the water-front community. The operations of such a commission would serve to harass individual enterprise and most likely would lead to the most expensive construction of new facilities which might conceivably be an unnecessary burden on the enterprise in the port and would undoubtedly take a large part of the water-front property out of the city, state and county taxable lists, thereby increasing the burden on the balance of the community. Proper cooperation between the municipal and state authorities could infuse in the private industry a desire to improve the business for themselves and for the community. The tendency to pass problems on to super-government commissions should not be allowed to expand in our community. The problems which we have before us are not insolvable and with patience and cooperation can be overcome. The answer rests with the rail carriers, who by virtue of geography and legislation have been permitted a virtual monopoly in the port and this monopoly must raise the obligations that the properties they exercise should be used for the community as a whole, especially in as much as a better cooperative use of the property would result in greater earnings for the rail carriers.

The rail carriers should realize that if a centralized port authority is established, that there will be strong pressure on such an authority to building a new terminal which would have the effect immediately of forcing the rail carriers to rebuild the premises to compete with such a new tax free publicly-owned operation.

WILLIAM H. MASSON

BY: Stevenson Masson, Partner

ATLANTIC TRANSPORT COMPANY

BY: R. N. Fleagle, Manager

